

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the matter of	)	
	)	
Implementation of the Pay Phone	)	
Reclassification and Compensation	)	CC Docket No. 96-128
Provisions of the	)	
Telecommunications Act of 1996	)	
	)	
RBOC/GTE/SNET Payphone Coalition	)	NSD File No. L-99-34
Petition for Reconsideration	)	

**CenturyTel Long Distance Reply Comments  
to Petitions for Reconsideration and Clarification**

CenturyTel Long Distance ("CenturyTel"), pursuant to the Federal Communications Commission's ("Commission") public notice released on August 20, 2001,<sup>1</sup> respectfully submits its reply comments opposing, in part, and supporting, in part, the comments filed by several parties in the above-captioned proceeding. CenturyTel urges the Commission to respond swiftly to the valid concerns of the industry expressed in this proceeding and resolve some of the uncertainty that has plagued payphone compensation regulations for years. CenturyTel further urges the Commission to extend the compliance date of the new rules until January 1, 2002, which is consistent with the quarterly nature of the rules, avoids duplicating the number of parties required to track and pay for

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<sup>1</sup> *Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, CC Docket No. 96-128, NSD File No. L-99-34 (rel. August 20, 2001).*

fourth quarter 2001, and eases the administrative burden and confusion imposed on the industry by the new rules.<sup>2</sup>

An overwhelming majority of parties object to the proposals of AT&T Corp. ("AT&T") and Worldcom, Inc. ("Worldcom"). More specifically, several parties noted that the proposal to compensate payphone service providers ("PSPs") for incomplete calls *violates* the plain language of section 276 of the Act. Furthermore, compensating PSPs for incomplete calls would result in severe discrimination against switch-based resellers ("SBRs") in violation of sections 201 and 202 of the Act.<sup>3</sup> Clearly, Congress did not intend for one segment of the industry, such as SBRs, to carry the financial burden of implementing section 276 of the Act, nor did Congress intend to put a segment of the industry in financial jeopardy. In fact, Congress uses the word "complete" in section 276 of the Act when describing which calls should result in compensation to the PSP. Thus, CenturyTel opposes any request to redefine a payphone call that would result in a requirement that compensation be paid to PSPs for calls that are *not* completed, as such a requirement would financially discriminate against SBRs in favor of underlying interexchange carriers (the competitors of SBRs) and result in a financial windfall to PSPs.

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<sup>2</sup> *Implementation of the Payphone Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-128, NSD File No. L-99-34, Second Order on Reconsideration, FCC 91-109 (rel. April 5, 2001) ("Second Order on Reconsideration").

<sup>3</sup> SBRs have already shouldered an enormous financial burden. Over the past five years, SBRs have expended significant resources to comply with the Commission's payphone rules. It is unacceptable to place the entire burden of the new rules on SBRs when the current processes in place, such as the clearinghouses, work well for the industry.

As demonstrated in CenturyTel's comments and the comments of other parties, the implementation of the Commission's new rules can be accomplished in a fair, equitable manner that will not only serve all parties, but will serve the objective of section 276 of the Act by ensuring compensation to PSPs for each and every *completed* payphone call. The Commission's new rules essentially create a 'gatekeeper' or rather a 'responsible party' that must ensure that each payphone call is properly dealt with (*i.e.*, counted for as a payphone call and assessed to determine whether compensation is due to the PSP in accordance with Commission rules and regulations). While the Commission's new rules require the first switch-based carrier to track and pay compensation, the new rules do not prohibit the first switch-based carrier from engaging third parties, or even the SBR, to assist in the process. The new rules simply require that the first switch-based carrier be the responsible party.

As described in CenturyTel's comments, SBRs, payphone clearinghouses and first switch-based carriers can work together to ensure that every completed payphone call is compensated to the PSPs. see CenturyTel Comments at 5. Many SBRs have dedicated significant time and resources with the clearinghouses to ensure proper and timely payment to PSPs. Now, the first switch-based carriers will be required to get involved by communicating to PSPs and sharing records with the clearinghouses. Again, the new rules do not prohibit this collaboration or the effective use of a process that is already in place and proven effective, efficient and fair.

In its comments, CenturyTel provided a roadmap for a solution to the technical issues raised by AT&T and Worldcom. *Id.* CenturyTel also agrees with the proposal set forth by Telstar International, Inc. ("Telstar"), which is consistent with CenturyTel's proposal. Telstar Comments at 19-22. Telstar proposes that where a SBR demonstrates or certifies to the first switch-based carrier that it has an arrangement in place with a clearinghouse, the first switch-based carrier need not handle the SBR's PSP compensation. As the responsible party, the first switch-based carrier would provide the PSP a list of those SBRs that it transfers originated payphone calls to and the clearinghouse utilized by each SBR. As CenturyTel previously stated, the solution, while not simple, is straightforward and meets the congressional objective of ensuring compensation to PSPs for each and every *completed* call. Moreover, this solution does not sacrifice one segment of the industry for another, nor does it create a wasteful, inefficient process that is particularly necessary for this industry to avoid in these difficult financial times. Thus, the utilization of a mutually agreed clearinghouse will satisfy the Commission's requirements, provide for PSP compensation on actual completed calls, and facilitate the proper reporting of compensable calls.<sup>4</sup>

Finally, CenturyTel supports WorldCom's request that the Commission reconsider the deadline for compliance with the new rules. WorldCom Comments at 13. The Commission's public notice states that carriers must comply with the

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<sup>4</sup> CenturyTel notes that it is not aware of any payphone clearinghouse that currently provides the services as outlined in CenturyTel's initial comments. However, the process as proposed by CenturyTel is one that can be implemented, and one that will meet the requirements of the industry and the Commission's new rules.

new rules by November 23, 2001. This date falls five weeks prior to the end of the fourth quarter of 2001. Since payphone compensation is tracked and paid on a quarterly basis, November 23<sup>rd</sup> presents an unreasonable, unnecessary hardship on the industry. Carriers that track payphone calls up to November 23<sup>rd</sup> will still be required to expend resources to track and pay compensation for fourth quarter 2001. Moreover, additional carriers will be required to expend additional resources to track and pay compensation for the same fourth quarter 2001 for payphone calls from November 23, 2001 until the end of the quarter. Essentially, the November 23<sup>rd</sup> compliance date will cause duplicate efforts, confusion, and needless, excessive expenditure of resources. A compliance date at the beginning of a period is reasonable, and should be adopted. One carrier responsible for tracking and paying compensation on behalf of one or more carriers, instead of two carriers tracking and paying compensation on behalf of one or more carriers for the same period is illogical and wasteful.

CenturyTel respectfully requests that the Commission reject any request to redefine a payphone call that requires compensation to Payphone Service Providers to include calls that are *not* completed and further request that the Commission adopt the fair, efficient and just payphone compensation proposal of CenturyTel.

Respectfully submitted,

/s/  
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